AGF Global Dividend Fund

AGF | Investments

Fund Commentary

Q2 | 2026

Morningstar Category	Inception Date	Portfolio Managers
Global Dividend & Income Equity	August 9, 2007 (Series MF) August 9, 2007 (Series F)	**AGF Investments Inc.** **Stephen Way**, SVP and Head of Global & Emerging Markets Equities

Market Overview

Global equities posted gains in the second quarter of 2026, primarily driven by earnings related momentum and geopolitical stabilization throughout most of the quarter. The corporate earnings surprise, especially from artificial intelligence (AI)-related companies, drove momentum in April, while declining oil prices in May tempered fears of rising inflation. June saw a mild pullback in momentum due to higher yields and certain macroeconomic headwinds.

The U.S. economy continued to exhibit relative resilience, supported by steady—though slightly softer—consumer spending and ongoing expansion in the services sector. The Purchasing Managers' Index which provide indications of whether an economy is expanding or slowing remained modestly above the neutral. However, inflation appeared more persistent than previously expected, reflecting higher commodity prices and supply disruptions, which kept the U.S. Federal Reserve firmly data-dependent and cautious. Labour markets stayed stable, supporting consumption without reigniting strong price pressures.

Outside the U.S., the economic backdrop was mixed, with resilient pockets of growth offset by tighter policy, uneven industrial activity and commodity-related volatility. In Europe, growth remained constrained by weak industrial output and cautious corporate investment, while the European Central Bank raised interest rates to contain renewed inflation pressures linked to part to higher energy prices. Japan remained relatively resilient, supported by domestic demand and corporate reform momentum, although the Bank Of Japan's rate increase underscored a continued shift away from ultra-accommodative policy as currency pressures persisted. Across Asia Pacific, China's outlook improved modestly, helped by targeted policy support and stronger export momentum, but domestic demand remained uneven. Toward the end of the quarter, the de-escalation of Middle East tensions contributed to a sharp pullback in crude oil and several commodity prices, easing pressure on major importers such as Europe, Japan and India.

Global equities, represented by the MSCI All Country World Index generated positive returns, led by Information Technology, and Industrials, due to higher capital expenditure and infrastructure themes gaining popularity. Financials advanced on stable credit conditions and policy clarity. Energy was the biggest laggard, as oil prices corrected sharply on indications that progress was being made in resolving the conflict with Iran. Small caps outperformed large caps; growth outpaced value on technology leadership. Equal-weighted indices lagged cap-weighted benchmarks, indicating narrow breadth.

Fund Overview | June 30, 2026

Annualized Performance in CAD, Net of Fees	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	PSD+
AGF Global Dividend Fund - Series MF	8.6%	20.6%	17.4%	11.6%	9.2%	8.0%
AGF Global Dividend Fund - Series F	8.9%	22.1%	18.9%	13.0%	10.4%	9.3%
Benchmark*	17.3%	29.3%	23.0%	14.5%	14.4%	10.1%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** *MSCI All Country World Index. Series MF MER: 2.38%, Series F MER: 1.10%, as of March 31, 2026. +Performance Start Date (PSD): August 22, 2007 (Series MF); October 17, 2007 (Series F). Benchmark PSD reflects the PSD of Series MF.

For the quarter ended June 30, 2026, AGF Global Dividend Fund underperformed the benchmark, the MSCI All Country World Index.

Sector allocation and security selection detracted from performance during the period. From a sector allocation perspective, an underweight to Utilities was the biggest contributor to performance, followed by an underweight to Consumer Discretionary. On the other hand, an underweight to Information Technology was the largest detractor, followed by an overweight to Energy.

Security selection in the Materials and Consumer Staples sectors were the top contributors to performance, whereas security selection in Information Technology and Financials were the top detractors from performance.

From a country perspective, exposure to South Korea was the biggest contributor to performance, followed by exposure to China. On the other hand, exposure to the United States was the largest detractor, followed by exposure to Netherlands.

In terms of individual holdings, the top contributors to performance were Samsung Electronics Co. Ltd., Timken Co. and Schneider Electric SE, while the top detractors were Northrop Grumman Corp., Shell Plc and TJX Companies Inc.

Samsung Electronics advanced after reporting record quarterly revenue and profit, driven by booming AI memory demand and strong hyperscaler data-center investment. Timken shares gained momentum after announcing earnings beat, raising its 2026 guidance, and analysts upgrading the company's ratings, supported by improved industrial demand. Schneider Electric's shares gained on accelerating data-center momentum, robust organic growth, and expanding AI infrastructure opportunities.

Northrop Grumman had a difficult quarter despite solid earnings and a record backlog, as supply-chain risks and rising investment needs for its B 21 production expansion weighed on investor sentiments. Shell plc's share price declined due to corrections in oil prices and a pause in share buybacks overshadowed otherwise resilient operational performance. Shares of TJX Companies declined in June amid a broader retail sector sell-off, driven by inflation data that pointed to rising price pressures and concerns following reports of significant insider selling.

Market Outlook

The portfolio manager remains focused on high-quality businesses whose sustainable growth potential is underappreciated by markets. Security selection emphasizes businesses with strong cash flow generation, durable competitive advantages, and a demonstrated commitment to returning excess capital to shareholders. The Fund is overweight Financials, Industrials and Consumer Staples and underweight technology. The portfolio manager believes the opportunity set for value stocks is improving and this could prove supportive for the Fund given its value bias.

Currently, underlying fundamentals suggest global economic growth is improving into the second half of the year. Industrial manufacturing has rebounded, infrastructure spending remains supportive, and data centre investment continues to drive economic activity. In the U.S., the labour market may be softening, but it is not failing and consumer spending remains supported by the wealth effect and resilient higher-income households. Global equity markets have also benefited from strong earnings, particularly in technology, AI investment and companies with durable growth drivers. That said, after strong market returns and fuller valuations, the portfolio manager expects volatility to remain elevated. Overall, the outlook remains constructive, but inflation and pressure on lower-income consumers, rising global deficits, geopolitical uncertainty and ongoing supply-chain risks remain.

Series F securities can be purchased under the simplified prospectus only through a registered dealer who has obtained consent of AGF to offer Series F securities.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

MER as of March 31, 2026. AGFI may, in its discretion, temporarily waive some or all of the expenses of the Fund, which will result in a reduction in the MER. AGFI may cease to offer any such waiver at any time without notice.

The Morningstar category for AGF Global Dividend Fund changed from Global Equity to Global Dividend & Income Equity on March 31, 2024.

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